



Finance Committee Briefing First Quarter Results

General Fund
Aviation Fund
Water/Sewer Funds

Dayton City Commission Work Session

April 22, 2015





Today's Agenda

1. 1st Quarter 2015 General Fund Financial Results
2. 1st Quarter 2015 Aviation Fund Financial Results
3. 1st Quarter 2015 Water/Sewer Fund Financial Results



2015 General Fund Overview

1. Revenues and Other Sources are \$1.5M or 4% over budget and are \$1.6M greater than the same period in 2014.
2. Expenditures are \$2M or 5% under budget and have declined \$1.4M or 3% from the first quarter of 2014.
3. Overall, at the end of March total sources exceed total uses by \$400,000.



Finance Committee Briefing • March 2015 YTD General Fund Results



(In millions, Does not Include Special Projects)									
Revenues & Other Sources	2015 Original Budget	2015 YTD Budget	2015 YTD Actuals	Budget Variance	Budget Variance	2014 YTD Actuals	2015 YTD Actuals	'14-'15 \$ Chg.	'14-'15 % Chg.
Income Tax	103.6	25.0	26.4	1.4	5.6%	24.3	26.4	2.1	8.6%
Property Tax	5.2	2.6	2.5	(0.2)	-6.3%	2.6	2.5	(0.1)	-5.4%
Local Gov't Fund	6.9	1.7	1.8	0.1	6.1%	1.7	1.8	0.1	6.1%
EMS Fees	4.7	1.1	1.1	(0.0)	-2.6%	1.1	1.1	0.0	1.9%
Fees, Charges & Other Sources	30.1	7.1	7.4	0.3	4.5%	7.8	7.4	(0.4)	-5.4%
Casino	3.3	0.8	0.8	(0.1)	-9.7%	0.8	0.8	(0.1)	-7.0%
Total Sources	153.9	38.3	39.9	1.5	4.0%	38.3	39.9	1.6	4.2%
Use of Cash Reserve	2.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
27th Payroll	2.3	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Sources & App. Fund Balance	158.6	38.3	39.9	1.5	4.0%	38.3	39.9	1.6	4.2%
Expenditures & Other Uses									
Personnel	114.2	31.1	29.5	1.6	5.1%	29.5	29.5	0.1	0.2%
Contracts, Materials & Other Uses	36.0	10.3	9.9	0.4	4.2%	10.7	9.9	(0.8)	-7.3%
Capital Equipment	3.4	0.0	0.0	0.0	0.0%	0.7	0.0	(0.7)	N.A.
Capital Improvements	2.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Development	2.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Uses	158.6	41.5	39.5	2.0	4.8%	40.9	39.5	(1.4)	-3.4%
Excess/(Shortfall) of Sources Over Uses	0.0	(3.2)	0.4			(2.6)	0.4		

Notes:

1. Amounts may not sum due to rounding.
2. Does not include special projects, which are reported separately.
3. 2015 Budget includes adopted budget only and does not include prior year's encumbrances.
4. Actuals include exp. against current year appropriation and against prior year's appropriation that carried forward.
5. Other Sources includes interest earnings and operating transfers in.
6. Other Uses include debt service and miscellaneous operating transfers out.



2015 Year To Date Tracking



% Change over Prior Year

	Jan YTD	Feb YTD	Mar YTD
Income Tax	2.5%	4.9%	8.6%
Total Revenue & Other Sources	-0.1%	-1.4%	4.2%
Personnel	0.4%	0.3%	0.2%
Total Expenditures & Other Uses	-3.3%	-3.9%	-3.4%
Revenue & Other Sources over Exp & Other Uses	(2.4)	(2.8)	0.4

Extra Friday Income Tax
Collections offset by timing
related to Property Tax and
Indirect Cost Reimbursements

Denotes
Month(s)
with Three
City Payrolls

Sources and Uses by Month				
	Jan MTD	Feb MTD	Mar MTD	Mar YTD
Sources	13.1	12.5	14.3	39.9
Uses	15.5	12.9	11.1	39.5
Monthly Excess/(Shortfall)	(2.4)	(0.4)	3.2	0.4

Extra PF/BB Pay of \$2.5M and
Annual Health Savings Account
Expenditure of \$2.6M

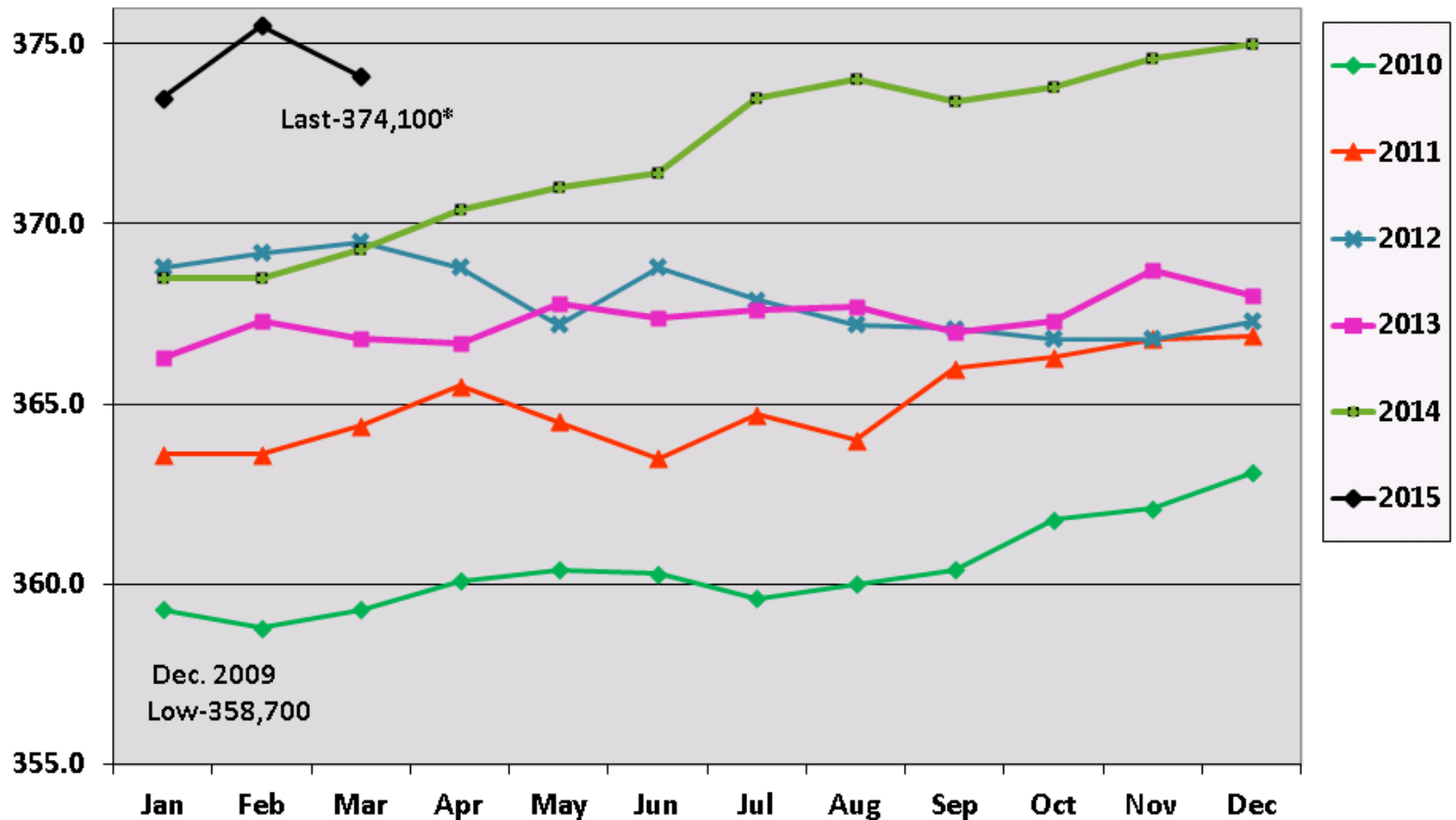




Dayton MSA Total Non-Farm Employment

From Peak to Trough the Region Lost 68,400 or 16% of the Job Base. However, Employment is up 15,400 Since Reaching its Nadir in December of 2009.

(in thousands)



* Preliminary

Note: BLS revised data to incorporate 2014 benchmarks and update seasonal adjustment factors.

2015 General Fund Revenues

- Income Tax collections are \$1.4M or 6% over budget and have increased 8.6% or \$2.1M compared to the same period last year.

1. Withholding rebounded significantly in March due to a catch up in delinquent collections. For the first 3-months, WH is up 3.7% or \$840,000 (with \$380,000 reflecting a payment that should have been received in 2014).
2. The tax on business profits is up 46% or \$759,000 (with one large delinquency payment accounting for \$314,000).
3. Refunds are down 42% or \$496,000 compared to 2014.
4. Estimated underlying growth is closer to 4% YTD when adjusted for one-time/late payments, as well as the reduced refunds.
5. April is our bellwether month, as it is the deadline for annual filers.



2015 General Fund Revenues

- Property Tax revenue is under budget by 6% and has declined 5% compared to 2014.
 1. The timing of advances prior to the first half settlement posted in May can affect revenues relative to the year-to-date budget numbers.
 2. The decrease in collections is the result of the six-year real property revaluation in which real property values declined 8%.
 3. The millage distribution to the General Fund in 2015 is unchanged from 2014 at 4.5 mills (the remaining 5.5 mills supports debt in the Bond Retirement Fund).





2015 General Fund Revenues

- Local Government Fund (LGF) receipts exceeded budget by \$100,000 and increased 6% over the same period in 2014.
 1. Eight months into the SFY, state tax sources have increased \$552M or 4.2% and are \$204M over estimate.
 2. The Governor's proposed SFY 2016-2017 budget (impacting the second half of 2015) would further reduce income tax rates at the expense of higher sales and other taxes.





2015 General Fund Revenues

- Fees, Charges & Other Sources are \$300,000 or 5% ahead of the budget, but have fallen \$400,000 compared to 2014.
 1. The timing of write-offs is a major factor.
 2. Otherwise, we are witnessing some broad-based, albeit modest increases.
- Casino Taxes for the 4th quarter of 2014 (paid in January) at \$754,000 were 10% under budget and \$57,000 less than last year.
- Meeting with the 6 Racino Host Communities was held in April and a follow-up letter was sent to the Governor.



2015 General Fund Expenditures

- Personnel Costs are under budget by 5% or \$1.6M and are flat compared to the first quarter of 2014.
 1. Negotiated wage increase of 3%, recently approved by the City Commission, will be processed soon with retroactive pay back to January.
 2. The average number of employees in the General and Street Maintenance Funds declined by 21 positions or 2%, from 1,217 to 1,196.





2015 General Fund Expenditures

- Contracts, Materials & Other Uses are under budget by \$400,000 at the end of March, reflecting a 7% decline in spending compared to the same period last year.
 1. The reimbursement to schools of \$382,000 occurred in January of 2014.
 2. Timing is a contributing factor related to the budget variance.

March 2015 Special Issues



2015 Pending Budget Issues	Estimate Min.		Estimate Max.
Winter Weather Response (overtime, replenish salt supply, equipment repair)	\$ 750,000	to	\$ 1,000,000
Income tax estimated payment awaiting filing	\$ -	to	\$ 1,000,000
Racino payments unpaid to date	\$ -	to	\$ 500,000
COPS Hiring grant ineligible costs (appeal to DOJ being compiled by Police)	\$ 300,000	to	\$ 600,000
Transportation Center Garage Software	\$ 300,000	to	\$ 400,000
ODOT Engineering Charge Reimbursement	\$ 300,000	to	\$ 400,000
<u>Notes:</u>			
(1) Assumes body cameras for Police will be a 2016 budget issue (year 1 cost at \$500,000).			
(2) Costs related to H.B. 5 implementation and needed changes to the income tax system are being developed.			





Thank you.

Questions?

